

## **City of Falls Church Commercial Property Rehabilitation Tax Abatement Program**

### **Requirements:**

- Building must be at least 20-years old
- Improvements must be for commercial use on commercial real estate property
- Improvements must increase the assessed value by at least 150% (i.e. at least 50% more than the current assessed value) and cannot increase square footage by more than 100%. This increase in assessed value must be a result of physical changes and not a result of the state of the economy.
- Improvements must be the result of a single project. Building permits must be issued within a 60-day period from the time of the acceptance into the rehabilitation tax abatement program, and completed within 2 years from the date that the initial construction permit was issued.
- Does not apply to properties built on vacant land
- Separate applications must be submitted for each structure
- Appropriate building permits must be acquired before filing application
- City Assessor must inspect the structure 3 different times: 1) upon receipt of application, 2) immediately prior to commencement of proposed rehabilitation, and 3) upon completion of project. A written request must be submitted to assessor for final inspection.
- \$50.00 fee made payable to the City of Falls Church

### **Amount:**

- The abatement is a credit against real estate taxes and will be the difference between real estate taxes based on the old assessment and the new assessment. This is a set amount and will not increase even if the assessment value of the property increases.

### **Duration:**

- Abatement will be for a period of 5 years and will start on January 1<sup>st</sup> of the year following the completion of the project. If an application is received, for example, on January 15, then the applicant must wait until the next calendar year.

Example: A property is assessed at \$1,000,000 upon application to the program. It must have the assessed value of at least \$1,501,000 after improvements have been completed within the 2-year period. The abatement would then be in the amount of \$501,000 X tax rate, for a period of 5 years. The amount stays constant regardless of assessment for the 5-year period.

City of Falls Church, Virginia

## **Application for Tax Exemption for Rehabilitated Real Estate**

Owner(s) of Record

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Location of Property

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Date Structure Built (must be no less than 20 years of age)

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Use of Structure

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Description of Work to be Done

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I certify that the statements contained in this application are, to the best of my knowledge, both correct and true. Given under my hand this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

Signature

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Owner or Agent

Print Name

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Mailing Address

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Telephone Number \_\_\_\_\_

Pager \_\_\_\_\_

This application must be completed and transmitted to the City Assessor with a fee of Fifty Dollars (\$50.00). No property shall be eligible for said exemption unless the appropriate building permits have been acquired and verified by the Building Official, and the City Assessor has inspected and valued the structure (base) upon receipt of the application and before the rehabilitation has started.

\*\*\*\*\* DO NOT WRITE BELOW THIS LINE (OFFICE USE ONLY) \*\*\*\*\*

Application Number \_\_\_\_\_ RPC Number

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Building Permit Number \_\_\_\_\_ Cost Per Building Permit \$  
\_\_\_\_\_

Building Permit Date

\_\_\_\_\_

(month/date/year)

From Worksheet: Base Value \$ \_\_\_\_\_ Completed Value \$

\_\_\_\_\_

Approved/Denied

Amount of Exemption Approved \$

\_\_\_\_\_

\*\*\*\*\* FEE \*\*\*\*\*

Make check payable to: City of Falls Church

Fee \$50.00

Account Number \_\_\_\_\_

Date Received \_\_\_\_\_ Invoice # \_\_\_\_\_ Receipt #

\_\_\_\_\_